



School Business Alert

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[September School
Leader Update](#)

2015 Legislation Affecting Finances

The 2015 legislative session included several pieces of legislation that adjusted uses of funds for local school districts. The next six sections provide additional detail related to those changes. Some of these changes will also be included in Administrative Code (rules) updates in the near future. If there are additional questions or concerns on these legislative clarifications, please contact [Jeff Berger](#), 515.281.3968.

HF658, Division VII, At-risk and Dropout Prevention Purposes Combined

HF658 aligned the allowable uses of the at-risk supplementary weighting funds and the returning dropout and potential dropout program funding approved by the School Budget Review Committee (SBRC). Future budgets will include both program sources and uses of both sources, allowing districts to flow seamlessly from at-risk funding (which is a mixture of state aid and property tax) to dropout prevention (DOP) funding (which is almost entirely property tax). It also changed the 5 percent for administration to include both the at-risk supplementary weighting and the DOP funding rather than just the DOP funding. The large annual report to the legislature on uses of the money was also struck from Code. These changes will require a new application process for next year's program.

HF658 also included provisions similar to HF445 (see the explanation of this bill for more detail) to expand the opportunity to use at-risk or dropout-prevention funds to cover the actual costs of instructional programs for regular education students placed in facilities other than Psychiatric Medical Institutes for Children (PMICs). HF445 had only addressed regular education students in PMICs, where HF658 addresses regular education students in non-PMICs residential placements and day treatment programs. Both bills exclude state institutions since tuition should not be billed to districts for students in those facilities. HF658, Division VII, was intended to address the fact that regular education students placed by the courts or the Department of Human Services (DHS) into a non-PMIC facility for residential or day treatment programs often have costs that exceed the maximum tuition rate. This legislation allows the district of location to charge the district of residence the actual instructional costs necessary to address the regular education child's behavior during instructional time if (1) those costs exceed the maximum tuition rate (district cost per pupil [DCPP]), (2) those behavioral interventions were not included in the contract the PMIC had with the placement entity, and (3) the school board has determined that the child is likely to inflict self-harm or likely to harm another student. Please note that this billing of tuition for the actual costs of instructional programs only applies to PMIC-placed and day treatment program general education students. Non-PMIC residential students are claimed in certified counts by the serving district and are included in either the special or general education foster care claims at the end of the fiscal year.

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Further, the legislation allows that if the child described above also meets the definition of an at risk, returning or potential dropout, then the resident district paying tuition for that student may use its at-risk supplementary weighting funds and its dropout prevention program funding approved by the SBRC to pay those instructional costs that exceed the maximum tuition rate (DCPP).

Clarification on House File 646, Voted Physical Plant and Equipment Levy (VPPEL) and Bus Repair

HF 646 added repair of transportation equipment to the paragraph that allowed the purchase of transportation equipment for transporting students.

The Iowa Department of Education (Department) has received multiple questions regarding the ability to group or bundle repairs to reach the minimum cost threshold. This paragraph amended in Physical Plant and Equipment Levy (PPEL) is not tied to the paragraph that allows PPEL to be used for technology and equipment purchases which could be grouped. Bundling is a concept in Rules, rather than Iowa Code, and refers to technology only. Neither grouping nor bundling was included in this legislation.

The new amendment to PPEL allows each repair to a transportation vehicle to be expended from PPEL if the cost of that repair exceeds \$2,500. It does not authorize grouping repairs to a single bus or grouping the same repair over several different buses for the purpose of exceeding the threshold. The Department has proposed the concept several times in the past to allow costly repairs to be paid from a capital fund—PPEL in this case. The dollar threshold determined by the legislature is intended to ensure that costs such as replacing or repairing engines or otherwise refurbishing a bus are allowable now and that costs which are ordinary day-to-day maintenance, such as changing the oil are not.

Clarification on House File 445, Instructional Costs for Regular Education Students Placed in PMIC Facilities

HF445 contained language to ensure that tuition paid to a district in which a PMIC is located was consistent with chapter 282 on tuition (actual instructional costs). This chapter states the maximum tuition rate is the rate of the serving district and students served pursuant to an Individual Education Program (IEP) is actual costs. This new language extended this coverage of actual costs to general education students placed in those facilities.

In addition, HF445 was intended to address how regular education students placed by the courts or DHS into a PMIC facility for residential or day treatment programs often have more costs that exceed the maximum tuition rate would cover. This legislation allows the district of location to charge the resident district for the actual instructional costs necessary to address the regular education child's behavior during instructional time if (1) those costs exceed the maximum tuition rate (DCPP), (2) those behavioral interventions were not included in the contract the PMIC had with the placement entity, and (3) the school board has determined the child is likely to inflict self-harm or likely to harm another student.

Further, HF445 allows that if the child described above also meets the definition of a returning or potential dropout, then the resident district may use its dropout prevention program funding approved by the SBRC to pay those instructional costs that exceed the maximum tuition rate (DCPP).

Also addressed in this legislation, was the equity issue where the resident district is always required to pay the tuition for school-age children placed in a PMIC, even if those children were not enrolled in the district of residence (for example, a child who was enrolled in a nonpublic school, homeschooled, or who had dropped out). The legislation permits a district in this situation to include those students in the foster care claim at the end of the fiscal year.

HF658, Division V, Statewide Voluntary Preschool Program (SWVPP) Students and Transportation

HF658 gave districts permission to transport SWVPP students to activities associated with the SWVPP along with other children. Any LEA costs for this transportation does not come from the SWVPP funding.

In addition, the legislation authorized a district to use its administrative 5 percent of the SWVPP funding for outreach activities and rent for facilities not owned by the school district. As a practical matter, the district will actually pay the rental lease from its PPEL or SAVE fund and transfer an equal amount of money from its General Fund SWVPP funding when the lease payment is due.

Further, HF658 increased the administrative and operations portion of SWVPP funds for the community partners to 10 percent and allowed partners to use their 10 percent administrative/operations portion of the SWVPP funding for outreach activities and rent for facilities not owned by the school district. The community partners are also allowed to use this 10 percent to cover the costs of transporting SWVPP students with other children, but only to the extent of the proportion related to the SWVPP students.

Clarification on Senate File 485, VPPEL and Refinancing Debt

SF 485 allows districts to exceed the VPPEL limit only if they exceeded the limit in the year of the refinance. The legislation enacted does not allow districts to exceed the VPPEL levy limit under other circumstances. Exceeding the limit in the year of the refinance is very rare and only occurs if the district's property valuations have decreased. The history provided to the legislature in the fiscal note for this bill showed that only four districts would have qualified in the past ten years.

In addition, SF 485 was specific to VPPEL and does not apply to other types of long-term debt (such as bonded indebtedness, revenue bonds, or General Fund equipment loans, etc.). The limitation the bill is addressing is the limit on the VPPEL levy rate; it is not the bank qualification limit.

Clarification on House File 515, Management Fund, and Mediation/Arbitration Costs

HF 515 is not effective until July 1, 2016. The legislation enacted allows the costs related to using mediation or arbitration to be paid from Management Fund. Those costs of mediation or arbitration would include such costs as legal fees, mediator or arbitrator fees, witness fees, and similar costs that the district has incurred as a direct result of being required to enter into mediation or arbitration. However, the costs would not include the results of the mediation or arbitration decisions or agreements outside of court action. For example, payments to encourage an employee to leave, including paying off a contract, or salary "settlements" determined through mediation or arbitration would not be a cost allowable from Management Fund. Instead, those payments and salaries would be General Fund costs.

Public Complaints on Fees, Fines, and Supply Lists

The Department has received more than the normal level of complaints from parents regarding the large or increasing fees that they have been required to pay at school registration or the types of items they were being required to send with their child to school. Upon investigation, in each situation, the district was passing onto the students and parents some things that were the district's responsibility and were not appropriate as a fee or a supply list; or were fines that were priced in excess of cost/remaining value in the asset; or were fees or fines for assets purchased with a fund other than the General Fund. Fees and fines are limited to General Fund purchases.

Iowa Code chapter 301 allows parents and other district patrons to petition for an election in the district to vote on the district providing free textbooks. That election result, if passed, is a permanent change until another election by the district patrons changes it. If such a petition comes forth, the district shall proceed with the election and the district or its board does not have authority to prevent the election.

Past articles in the School Business Alert and in the School Leader Update have discussed what fees are and are not allowable, and what school supplies can be provided by the parents and what must be provided by the district. Also, review the [PPEL FAQ](#) on the Department's website regarding technology purchases. Iowa Code specifies that public education is free and authorizes very few fees or fines. Those that are authorized are required to be reasonable.

Contact: [Su McCurdy](#), 515.281.4738.

CAM and Clayton Ridge Virtual Schools Open Enrollment Changes

During the 2016 legislative session, two exceptions were added to the 1 percent limit on the number of resident students that may attend the online schools at CAM and Clayton Ridge. The new law states the 1 percent limitation for resident students attending a virtual school at CAM and/or Clayton Ridge may be exceeded if the limit would prevent siblings from enrolling in the same school district for a virtual school or if a sending district determines that the education needs of a physically or emotionally fragile student would be best served by educational instruction and course content that are delivered primarily over the internet.

Frequently Asked Questions:

1. A family has one child open enrolled to CAM or Clayton Ridge and wants to open enroll a sibling to the same district for the same online school, but the resident district has met the 1 percent limit. May the open enrollment be approved?
Answer: Yes. The child has a sibling that is already open enrolled to the virtual school and the sibling wants to attend the same virtual school.
2. The district has reached the 1 percent cap on the number of students that may attend the virtual school at CAM or Clayton Ridge. A family applies for open enrollment and wants both children to attend the online school at CAM. Does this meet one of the law's exemptions?
Answer: No. Since the district has met its limit prior to any of the children open enrolling out, the law's exemptions do not apply. The law would only apply if one of the children had been open enrolled out prior to the resident district meeting the 1 percent limit.
3. A resident district receives open enrollment applications for two siblings to attend the same district and same virtual school. The resident district is one student below the 1 percent limit. What should they do?
Answer: Approve the applications.
4. What determines "physically or emotionally fragile"?
Answer: "Physically or emotionally fragile" means a physical or mental condition that substantially limits a major life activity. This is identical to coverage under Section 504. This shall be determined by the student's 504 plan. The plan should indicate the student is best served by a virtual school.
5. How does the district designate the request to exceed the enrollment cap on the open enrollment form?
Answer: Sections have been added to the open enrollment form for the resident and receiving districts to mark.

If you have any questions, please contact [Eric Heitz](#), 515.281.4726.

2015-2016 Open Enrollment Billing

The amount of open enrollment tuition for the 2015-2016 school year for a regular education student is \$6,366, which is the state cost per pupil from the previous fiscal year. The tuition bill for open-enrolled-in students should also include the following supplemental funds if applicable:

- [Teacher Leadership](#), if both districts are receiving an allocation for having an approved Teacher Leadership and Compensation (TLC) plan
- Non-English speaking supplementary weighting
- [Eligible concurrent enrollment and Project Lead the Way \(PLTW\) courses](#), page 59

For a student served pursuant to an IEP, open enrollment tuition is calculated on actual costs of special education rather than the prior year's state cost per pupil amount.

Open enrollment tuition is billed and paid on a quarterly basis. Under special circumstances that terminate or suspend open enrollment status, it is necessary to prorate tuition in a quarter on a per diem basis.

For assistance, please contact [Eric Heitz](#), 515.281.4726.

School Budget Review Committee Work Session Held in August

The SBRC met for a work session in early August to discuss general topics that have implications on SBRC decisions in the coming year. The members talked about special education weighting, the history of costs in special education, and the relationship between weighting levels, deficits, and property taxes. The SBRC must review weightings biennially and the next review will be in December 2015. Another topic discussed was how to approach the issues of districts heading toward, or incurring, negative unspent balances. The SBRC's role in the school finance formula was also discussed. The Department gave the SBRC members an update on legislation from the 2015 session and highlighted those that would impact the SBRC.

Generally, no action is taken during a work session. However, due to special circumstances in some districts, the SBRC held two hearings prior to beginning their work session.

New School Budget Review Committee Section Added to Website

The Department is now posting on the [website](#) a spreadsheet each fiscal year of the modified supplemental amount (MSA) granted by the SBRC. The spreadsheet is by district. The FY14 spreadsheet is complete at this time. The FY15 spreadsheet will not be complete until December 2015 because both special education deficit and LEP excess costs MSA are not acted upon by the SBRC until the December hearings. Each fiscal year, the spreadsheet begins with the granting of the MSA for returning dropout and dropout prevention programs, which is granted by the SBRC prior to the beginning of the fiscal year. The spreadsheet ends with the granting of the MSA for the special education deficits and the excess costs of providing LEP programs.

Finance, Facilities, Operation and Transportation Services (FFOTS) Frequently Asked Questions (FAQ) Project

The FFOTS bureau has been working this summer to restore the FAQs from the previous Department website. The previous website had a section for individual questions and answers rather than separate documents on the related webpages. The FAQs that are still relevant are being restored as documents by topic which will be easier to find and use. The documents are being placed on the webpage of similar information regarding each topic. The bureau has completed and posted the FAQs related to [Disaster Recovery](#), [SAVE](#), and [Management Fund](#). Soon an updated FAQ for student activity fund will be posted.

If you have other FAQs that you have been waiting to have restored to the website and you would like prioritized, please contact [Su McCurdy](#), 515.281.4738.

Transportation

With the new school year comes much needed new information. Though school bus driver authorizations aren't anything new, please remember that all school bus drivers in a district must have a valid and current authorization issued to them each year. This needs to be done prior to August 15; however, we are seeing a number of districts that have failed to do this yet. Please realize that a school bus driver without a current authorization is driving illegally. Be sure to check your driver list to be sure your school is in compliance. As to other needed information, a "Welcome Back to School" letter detailing much of the new school transportation information has been posted to the Department's website. Guidance related to call-back inspections is also available at the Department's website, as well as contact information for the School Transportation Team. School transportation information can be found at: [School Transportation Guidance](#).

For more information, contact [Max Christensen](#), 515.281.4749.

New Special Education Guidance Released

Over the past year, several bureaus within the Department have been working collaboratively to prepare guidance for the field. That [guidance](#) is now posted on the website for "Placement of Children with Disabilities Outside Resident District School Sites" and "Transportation Issues in Special Education."

Training and Technical Assistance to School Districts for Developing High-Quality Emergency Operations Plan

Project Scope

To provide training, support, and technical assistance to public school districts and nonpublic schools for development of high-quality Emergency Operations Plans.

Workshop Scheduling Begins

The process of developing high-quality emergency response plans requires the participation of numerous community partners. To encourage collaboration and ensure the development of effective plans, the Department will be conducting planning and training workshops around the state. The Department encourages participation and input by all members of the education and response communities.

Efforts are now under way to schedule these workshops in each of the Area Education Agencies in Iowa. The workshops begin in October and will conclude in early December. The dates and locations will be announced on the Department's website and in additional newsletters as they are made available. The following AEA regional meetings have been confirmed:

Keystone AEA — Thursday, October 29
AEA 267 — Friday, October 30
Northwest AEA — Wednesday, November 4
Prairie Lakes AEA — Thursday, November 5
Great Prairie AEA — Tuesday, November 10
Mississippi Bend AEA — Thursday, November 12
Grant Wood AEA — To be determined
Heartland AEA — To be determined
Green Hills AEA — To be determined

Each session will run 9 a.m. to 4 p.m. on the scheduled date. Districts and schools are highly encouraged to participate in their area session along with County Emergency Management Coordinators, first responders, and any other associations or organizations interested in participating in this important initiative. The information provided may also prove useful in the selection of future planning participants within a district, school, community or organization.

School Emergency Response Planning Initiative Webinar

The Department received federal funding to provide training and technical support to school districts to assist with the process of updating or developing emergency operations plans. We are well aware of the string of tragedies that have struck our nation's schools in recent years and recognize we must adequately prepare for any emergencies that threaten the young lives we are responsible for each day.

The Department will conduct a webinar on: September 22, 2015, at 3:00 p.m.

This webinar will provide information on the goals, outcomes, and timeline for the Training and Technical Assistance to School Districts for Developing High-Quality Emergency Operations Plans initiative. This session will provide information on project strategies, outcomes, and discuss the resources available to assist schools, districts, and communities with the planning process.

Please use the link below to join the Zoom webinar:
<https://IDOE.zoom.us/j/850106438>

For additional information, contact [Gary Schwartz](#), 515.281.4743 or [Jane Colavecchi](#), 515.491.6088.

Data Collections Open

Facilities, Elections and Sales Tax – Due Wednesday, September 30

The FY15 data collection for “Facilities, Elections, and Sales Tax” is available on the [Iowa Education Portal](#). School districts should complete the CAR before certifying this application. Instructions for this data collection are at [School Facilities – Data Collection](#). Any questions regarding this report should be directed to [Gary Schwartz](#), 515.281.4743.

School Association Reporting – Due Monday, November 16

The FY15 data collection for “School Association Reporting” will be available on the [Iowa Education Portal](#) after the CAR is certified (after September 15). Instructions can be found at [FY15 School Association Reporting Instructions](#). Any questions regarding this report should be directed to [Gary Schwartz](#), 515.281.4743.

Limited English Proficient (LEP) Applications

Two Limited English Proficient (LEP) applications are due this fall. Both applications are available on the [Iowa Education Portal](#) under the EdInfo submenu.

- **LEP Allowable Costs** will open September 15 and is due October 1, 2015. This application allows districts to request MSA from the SBRC for the costs in excess of weightings and other resources for providing additional instruction beyond the regular instruction to limited English proficient students.
- **SBRC Application** will open October 1, 2015, and is due December 1, 2015. This application allows school districts that want to request MSA from the SBRC for increased enrollment, open enrollment out not on the prior year’s count, and limited English proficient programs beyond the five years of supplementary weighting.

The LEP Allowable Costs application has been revised to reduce the amount of information required from districts. Only two fields must be completed to submit a request:

- Line 18: any expenditures included in the total expenditures submitted through the Certified Annual Report (CAR) that was not expressly allowed by Iowa Administrative Code
- Line 20: the amount requested to be submitted to the SBRC

Information from your district’s spring 2015 Student Reporting in Iowa submission shows the number of students in each type of English language learner (ELL) program offered by your district as well as the count of students for each native language spoken by all students served in your district’s ELL program at any time during the 2014-2015 school year. The counts in the LEP Allowable Costs application will not necessarily match the numbers in your spring SRI submission. The LEP Allowable Costs application includes only students who were served in an ELL program during the 2014-2015 school year.

To access either application, you may request access through My Profile in the [Iowa Education Portal](#) (upper right corner). Both applications are prepopulated to the greatest extent possible with information from your district’s FY15 CAR and Student Reporting in Iowa (fall 2014, spring 2015, and/or fall 2015).

If you have questions regarding the completion of either application, please contact [Carla Schimelfenig](#), 515.242.5612.

Upcoming Deadlines	
Facilities, Elections, and Sales Tax Data Collection Due	9-30-15
Board Resolutions for Whole Grade Share Supplementary Weighting	10-1-15
Last Date for an Election to Reorganize Effective July 1 is December 15	10-1-15
LEP Allowable Costs	10-1-15
Last Date to Notify the SBRC if District Incurred Negative Unspent Balance	10-15-15